

## Message Text

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ACTION EB-07

INFO OCT-01 ISO-00 AF-08 ARA-06 EA-07 EUR-12 NEA-10 STRE-00

AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-02

INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01

SP-02 FEAE-00 OMB-01 IO-13 OIC-02 SAM-01 ABF-01 /135 W

----- 119858

R 161352Z NOV 76

FM USMISSION GENEVA

TO SECSTATE WASHDC 3629

INFO AMEMBASSY BANGKOK

AMEMBASSY BOGOTA

AMEMBASSY DACCA

AMEMBASSY JAKARTA

AMEMBASSY LISBON

AMEMBASSY MADRID

AMEMBASSY OTTAWA

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION USUN NEW YORK

USMISSION OECD PARIS

LIMITED OFFICIAL USE SECTION 1 OF 2 GENEVA 9123

PASS STR ELECTRICALLY

E.O. 11652: N/A

TAGS: GATT, ETRD

SUBJ: GATT COUNCIL NOVEMBER 12

REF: A. STATE 276704; B. STATE 276703

FOLLOWING IS SUMMARY OF PRINCIPAL ITEMS COVERED IN GATT

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COUNCIL ON NOVEMBER 12 (NOTE THAT WASHINGTON ACTION IS

REQUIRED ON SEVERAL ITEMS):

1. ANTI-DUMPING COMMITTEE REPORT. JAPAN REMINDED U.S. OF THE CONCERNS THEY HAD EXPRESSED OVER SECTION 337 TELEVISION SET INVESTIGATION, NOTING THAT OCTOBER 1976 PUBLIC HEARINGS INDICATED THAT VARIOUS DEPARTMENTS WITHIN USG DISAGREED WITH ITC INVESTIGATION. THEY COMPLAINED OF DUPLICATE PROCEDURES, WARNED THAT PRECEDENT COULD BE SET FOR OTHER PRODUCTS AND OTHER EXPORTING COUNTRIES AS WELL. EC ECHOED SAME POINTS AND ADDED THAT SINCE MTN ENTERPRISE IS TRYING TO REDUCE TRADE BARRIERS, THIS DEVELOPMENT IN THE U.S. IS BAD FOR OVERALL CLIMATE. CANADA ALSO SUPPORTED. U.S. RESPONDED PER STATE 276704 AND PROMISED REPORT CONCERN EXPRESSED TO WASHINGTON.

2. FINLAND-BULGARIA AGREEMENT. WP CHAIRMAN GAVE BRIEF ORAL REPORT INDICATING THAT WP UNABLE TO CONTINUE ITS WORK UNTIL NEW TEXTS SUPPLIED BY BULGARIA. EC AND U.S. REGRETTED LACK OF INFORMATION AVAILABLE TO WP.

3. INDONESIA WAIVER. INDONESIA SAID THEY PREPARED BEGIN NEGOTIATIONS EARLY IN 1977 AND WILL NOTIFY CP'S WHEN TEAM ARRIVES. VARIOUS COUNTRIES SUPPORTED WAIVER; U.W. AND JAPAN ALSO SUPPORTED ON FIRM UNDERSTANDING THAT INDONESIAN CASE INVOLVED SPECIAL CIRCUMSTANCES WHICH WOULD NOT BE APPLICABLE TO OTHER COUNTRIES. U.S. SAID WE WOULD NOT INVOKE PARA 3 OF WAIVER (PARA 4 OF EXISTING WAIVER) AGAINST INDONESIA, PER STATE 276704. ACTION REQUIRED: BALLOTS FOR VOTING WILL BE CIRCULATED NOVEMBER 22 AT GATT CP SESSION AND U.S. WILL VOTE AFFIRMATIVELY, PER STATE 276704.

4. PROVISIONAL ACCESSION OF COLOMBIA. COUNCIL RECOMMENDED CP'S AGREE TO EXTENSION TO END 1978. GATT SECRETARIAT TELLS US VOTING AUTHORITY NOT REQUIRED.

5. EC-PORTUGAL PROTOCOL. EC SAID THIS PROTOCOL WAS ADDITIONAL TO 1972 AGREEMENT FOR PURPOSES OF MAKING LIMITED OFFICIAL USE

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IMPROVEMENTS IN COMMERCIAL FIELD AND EXTENDING AUTHORITY TO OTHER AREAS, SUCH AS MANPOWER AND SOCIAL SECURITY. INTERIM AGREEMENT EFFECTIVE NOVEMBER 1, 1976 ACTIVATES THE COMMERCIAL ASPECTS ONLY. CANADA REQUESTED A WORKING PARTY; STATE 278669 ARRIVED, IN ANY EVENT, AFTER ITEM HAD BEEN COVERED. TERMS OF REFERENCE ARE STANDARD: TO EXAMINE AGREEMENT IN LIGHT OF GATT PROVISIONS. CHAIRMAN IS TOMIC OF YUGOSLAVIA. ACTION

REQUIRED: QUESTIONS ON PROTOCOL ARE DUE TO GATT  
SECRETARIAT BY 15 JANUARY 1977.

6. BANGKOK AGREEMENT. BANGLADESH INTRODUCED PROTOCOL,  
INVOKING THE NAME OF VARIOUS UNCTAD, NIEO, AND RE-  
LATED LDC THOUGHT SUBSTITUTES. COUNCIL ESTABLISHED  
WORKING PARTY TO EXAMINE AGREEMENT IN LIGHT OF GATT  
PROVISIONS. CHAIRMAN TO BE NOMINATED IN CONSULTATION  
WITH INTERESTED DELS; NON-CP SIGNATORIES OF BANGKOK  
AGREEMENT WILL BE PERMITTED TO ATTEND WP. ACTION RE-  
QUIRED: QUESTIONS ON AGREEMENT ARE DUE BY JANUARY  
15, 1977.

7. EC-GREECE REPORT. U.S. SAID WE SYMPATHETIC TO OVER-  
ALL OBJECTIVES OF BOTH EC-GREECE AND EC-TURKEY AGREE-  
MENTS BUT REQUESTED THAT FUTURE INTERIM REPORTS  
PROVIDE BETTER DATA. CANADA SUPPORTED LATTER POINT.  
EC ONLY OFFERED TO ANSWER ANY SPECIFIC INFORMATION  
REQUESTS BILATERALLY.

8. EC-TURKEY AGREEMENT. SAME AS PRECEDING ITEM.

9. CALENDAR OF BIENNIAL REPORTS. U.S. CALLED ATTENTION  
TO WORDING ON PAGE 3 OF C/W/281 AND REMINDED COUNCIL  
THAT FINLAND-CZECHOSLOVAKIA AND FINLAND-HUNGARY WP'S  
HAD NOT YET COMPLETED THEIR WORK; C/W/281 SHOULD NOT  
RE READ TO SUGGEST THAT THEY HAD.

10. U.S. SECTION 22 WAIVER. GENEVA 9074.

11. ARTICLE XXXV - JAPAN. JAPAN NOTED THAT AUSTRIA AND  
SENEGAL HAVE NOW DISINVOKED. SOUTH AFRICA SAID THEY  
WILLING TO DISCUSS.  
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12. GREECE - INCREASE IN BOUND DUTIES. GREECE AND  
AUSTRIA SAID THEY HOPED TO SETTLE MATTER BILATERALLY.

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13. EC ARTICLE XXIII: 2 COMPLAINT AGAINST CANADA. EC RECALLED THAT IN DECEMBER 1974 THEY HAD INVOKED ARTICLE XXVIII TO RENEGOTIATE LEAD AND ZINC CONCESSIONS; CANADA HAD IN RESPONSE WITHDRAWN TOO MANY CONCESSIONS. AS NO SOLUTION REACHED IN BILATERAL DISCUSSIONS, ARTICLE XXIII:2 PANEL REQUIRED. CANADA SAID NO CHANGES HAVE ACTUALLY BEEN MADE IN RATES LIMITED OFFICIAL USE

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OF DUTY IN ITEMS SELECTED BUT DID NOT RESIST PANEL. COUNCIL ESTABLISHED PANEL WITH TERMS OF REFERENCE "TO EXAMINE MATTER REFERRED BY EC TO CP'S UNDER ARTICLE XXIII:2 WITH RESPECT CANADIAN WITHDRAWALS UNDER ARTICLE XXVIII:3 (L/4432 AND SECRET/224/ADD.4) AND TO MAKE SUCH FINDINGS AS WILL ASSIST CP'S TO

MAKE FINDINGS AND RECOMMENDATIONS CALLED FOR IN ARTICLE XXIII:2." CHAIRMAN OF COUNCIL TO NOMINATE PANEL MEMBERS AND CHAIRMAN IN CONSULTATION WITH PARTIES TO THE DISPUTE.

14. DISC AND RELATED TAX PRACTICES. GENEVA 9048.

15. PORTUGUESE PRIOR DEPOSITS. PORTUGAL SAID SCHEME NOT DISCRIMINATORY AND DEPOSITS BEAR NO INTEREST. COUNCIL AGREED BOP COMMITTEE COULD EXAMINE MATTER AT ALREADY-SCHEDULED NOVEMBER 15 SESSION.

16. REPORT ON TRAINING ACTIVITIES. NOTED.

17. APPLICATION GATT TO NEWLY INDEPENDENT TERRITORIES. NOTED.

18. STATUS OF PROTOCOLS (PART IV). COUNCIL APPROVED BY CONSENSUS.

19. REPORT ON CONSULTATIVE GROUP OF 18. D-G NOTED THAT REPORT (L/4429) HAD BEEN SUBMITTED ON HIS OWN RESPONSIBILITY. MANY COUNTRIES (NOT INCLUDING EC) SPOKE GLOWINGLY OF USEFULNESS CG-18 AND SAID IT SHOULD BE CONTINUED. COLOMBIA INJECTED THE SUBTLETY, "FOR A FURTHER YEAR." U.S. AND CANADA, IN SUPPORTING EXTENSION ALSO ASKED ONE ADDITIONAL YEAR. COUNCIL TOOK NOTE OF REPORT AND DECIDED CG-18 TRIAL YEAR HAD BEEN USEFUL EXPERIENCE, AGREED TO CONFIRM THE PREVIOUS (ONE-YEAR) DECISION IN ALL OF ITS ELEMENTS, AND AGREED TO REEXAMINE THE DECISION IN A YEAR'S TIME.

20. BUDGET COMMITTEE. COUNCIL ENDORSED COMMITTEE'S RECOMMENDATIONS ON DISPOSAL 1976 AND 1975 SURPLUSES. LIMITED OFFICIAL USE

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D-G NOTED THAT 1974 SUSPENSE ACCOUNT HAD BEEN SET ASIDE BY COUNCIL AND SAID THAT SINCE ICSC HAS MADE CERTAIN PROPOSALS, IT WILL BE POSSIBLE FOR COUNCIL TO TAKE SOME DECISION ON 1974 SURPLUS AFTER UN HAS PASSED ON ICSC RECOMMENDATIONS. COUNCIL THUS AGREED KEEP 1974 SUSPENSE ACCOUNT IN SUSPENSE. STAFF ASSOCIATION HAD REPORTEDLY ENGINEERED A SHOW OF SUPPORT AMONG COUNCIL MEMBERS FOR THEIR LONG-STANDING POSITION THAT PART OR ALL OF EACH BUDGET SURPLUS SHOULD BE REDISTRIBUTED TO GATT STAFF AS "COMPENSATION" FOR SALARY LOSSES CAUSED BY DECLINE OF DOLLAR IN SWITZERLAND. WE WERE PREPARED TO STATE IN LOW-KEY MANNER THAT U.S. OPPOSED ANY STEPS WHICH WOULD

BE INCONSISTENT WITH UN COMMON SYSTEM, BUT THE ISSUE NEVER SURFACED. IT IS POSSIBLE THAT THIS MATTER WILL ARISE AT CP SESSION BEGINNING NOVEMBER 22.

21. OTHER BUSINESS.

A. SPAIN - IMPORT SURCHARGE. SPAIN ANNOUNCED THEIR INPORT SURCHARGE, DETAILS ON WHICH HAD JUST BEEN CIRCULATED BY L/4436 OF 10 NOVEMBER. SAID SURCHARGE DOES NOT APPLY TO ANY GATT-BOUND ITEMS AND DOES NOT DISCRIMINATE. THEY SAID THEY HAD REJECTED MORE DRASTIC MEASURES SUCH AS QR'S AND ASSURED COUNCIL THAT SURCHARGE WAS TEMPORARY. COUNCIL TOOK NOTE OF STATEMENT.

B. U.S. IMPORT QUOTAS ON BEEF. GENEVA 9082.

C. PANEL ON MIP'S. COUNCIL CHAIRMAN ANNOUNCED PANEL FORMATION, PER GENEVA 8673.

D. ITALIAN MONETARY MEASURES. CHAIRMAN ANNOUNCED, EXPOST FACTO, THAT IRANZO OF SPAIN HAD BEEN CHOSEN AS CHAIRMAN.

E. WP ON TRADE WITH POLAND. CHAIRMAN NOTED THAT CURRENT WP CHAIRMAN CHADHA HAD DEPARTED AND SANDILYA OF INDIA WILL ASSUME CHAIR.

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F. COUNCIL REPORT TO CP'S. CHAIRMAN SAID DRAFT REPORT WILL BE AMENDED TO INCLUDE NEW ITEMS COVERED.ABRAMS

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## Message Attributes

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